

## Message Text

CONFIDENTIAL

PAGE 01 STATE 186645

40

ORIGIN EB-11

INFO OCT-01 NEA-14 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

PM-07 L-03 H-03 NSC-07 CIAE-00 DODE-00 INR-11 NSAE-00

PA-04 RSC-01 PRS-01 SP-03 CAB-09 TRSE-00 COME-00

FAA-00 DOTE-00 CEA-02 CIEP-03 OMB-01 /081 R

DRAFTED BY EB/IFD/OIA:TBRODERICK:SL

APPROVED BY EB - THOMAS O. ENDERS

NEA - MR. SOBER

H - MR. SCHNEE

NEA/IRN - MR. NAAS

EB/IFD - MR. BOEKER

EB/ITP - MR. SCHMIDT

PM/SAS - MR. FARNHAM

L/EB - MR. TRIMBLE

L/PM - MR. BOREK

EB/IFD/OIA:MR. SMITH

EB/ORF/FSE:MR. MARTIN

DOD/DSD:MR. CLEMENTS

DOD/ISA:MR. ELLSWORTH

DOD/GC:MR. NIEDERLEHNER

DOD/ISA/IE:MR. SHIELDS

CAB/OGC:MR. KANE

TRSE/OASIA/OIT:MR. BLAKE

TRSE/ONS:MR. NENSEL

TRSE:MR. WITHERELL

DOC/ISS/OED:MR. PEIRPOINT

----- 051089

O 241600Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN IMMEDIATE

C O N F I D E N T I A L STATE 186645

E.O.11652: GDS

TAGS: PARM, IR

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 186645

SUBJECT:GRUMMAN FINANCING

REF: (A) TEHRAN 7034; (B) TEHRAN 7092

1. YOU MAY INFORM FON MIN KHALATBARY THAT USG HAS NO OBJECTION TO GRUMMAN OBTAINING FINANCING ON COMMERCIAL TERMS IF NO ANCILLARY RIGHTS OF OWNERSHIP OR MANAGERIAL CONTROL ARE INVOLVED. IT IS UP TO GRUMMAN TO DECIDE WHETHER IT WISHES TO PURSUE HELPFUL OFFER BY GOI.

2. EMBASSY SHOULD, HOWEVER, BE AWARE, AND YOU MAY INFORM FON MIN, THAT POTENTIAL STATUTORY AND REGULATORY IMPLICATIONS OF SUCH AN ARRANGEMENT DEPEND UPON ITS PARTICULAR TERMS AND CIRCUMSTANCES (NOT YET KNOWN). THE FOLLOWING ARE ILLUSTRATIVE:

A. 49 USC 1378 (A) (4) MAKES IT "UNLAWFUL UNLESS APPROVED BY ORDER OF THE (CIVIL AERONAUTICS) BOARD...FOR ANY FOREIGN AIR CARRIER OR PERSON CONTROLLING A FOREIGN AIR CARRIER TO ACQUIRE CONTROL, IN ANY MANNER WHATSOEVER, OF ANY CITIZEN OF THE UNITED STATES ENGAGED IN ANY PHASE OF AERONAUTICS." SINCE THE GOI OWNS AND OPERATES A FOREIGN AIR CARRIER, IT MIGHT, UNDER CERTAIN CIRCUMSTANCES, BE SUBJECT TO THIS PROVISION.

B. DEFENSE DEPARTMENT (DOD) REGULATIONS REQUIRE GRUMMAN TO NOTIFY THE DOD IF A FOREIGN LENDER ACQUIRES "CONTROL" OR "INFLUENCE" OVER IT (DOD 5220.22-N, "INDUSTRIAL SECURITY MANUAL FOR SAFEGUARDING CLASSIFIED INFORMATION," AND DOD 5220.22-R, "INDUSTRIAL SECURITY REGULATIONS"). UPON NOTIFICATION, DOD DETERMINES WHETHER CONTINUED CLEARANCE FOR WORK ON CLASSIFIED PROJECTS IS WARRANTED, AND WHETHER ADDITIONAL SAFEGUARDS MUST BE APPLIED TO PARTICULAR PRODUCTION FACILITIES.

3. YOU MAY ALSO INFORM FON MIN THAT OSTENSIBLY CONTRADICTORY STATEMENTS ALLUDED TO PARA 1 REF (A) ARISE FROM MISCONSTRUCTION IN PUBLIC PRESS OF REMARKS MADE BY DOD SPOKESMAN. DOD'S COMMENTS WERE BASED UPON ITS ESTIMATE THAT SUCH CREDIT MIGHT BE OBTAINABLE MORE EXPEDITIOUSLY DOMESTICALLY THAN FROM FOREIGN LENDERS BECAUSE OF POTENTIAL TECHNICAL COMPLEXITY OF CONDUCTING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 186645

EVALUATION DESCRIBED PARA 2B. KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, MILITARY AIRCRAFT, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE186645  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** TBRODERICK:SL  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740234-0981  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740820/aaaaaqot.tel  
**Line Count:** 108  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) TEHRAN 7034; (B) TEHRAN 7092  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 AUG 2002 by boyleja>; APPROVED <03 MAR 2003 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RUMMAN FINANCING  
**TAGS:** PARM, IR, GRUMMAN  
**To:** TEHRAN  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005